

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION  
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT  
SECURITIES LLC,

Defendant.

Adv. Pro. No. 08-01789 (SMB)

SIPA Liquidation

(Substantively Consolidated)

IRVING H. PICARD, Trustee for the  
Liquidation of Bernard L. Madoff Investment  
Securities, LLC

Plaintiff,

v.

SHELIA KOLODNY,

Defendant.

Adv. Pro. No. 10-05425 (SMB)

**STIPULATION AND ORDER DISMISSING ADVERSARY PROCEEDING**

WHEREAS, on December 11, 2010, Irving H. Picard, as trustee (“Trustee”) for the liquidation of the business of Bernard L. Madoff Investment Securities LLC (“BLMIS”) under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa *et seq.* and the substantively consolidated estate of Bernard L. Madoff, commenced the above-captioned adversary proceeding (the “Adversary Proceeding”) against Shelia Kolodny (“Defendant”) in the United States Bankruptcy Court for the Southern District of New York; and

WHEREAS, Defendant submitted a hardship application to the Trustee (the “Hardship Application”) requesting that the Trustee agree to dismiss the Adversary Proceeding. In support of her Hardship Application, Defendant included a listing of all of her monthly expenditures for

the past twelve months as well as a detailed description of her medical history and other information, all under penalty of perjury;

WHEREAS, in reliance on the representations made by Defendant in her Hardship Application and other representations and/or materials submitted by Defendant in support of her Hardship Application, the Trustee in the exercise of his due and deliberate discretion has agreed to dismiss this Adversary Proceeding with prejudice under certain terms as set forth in this Stipulation;

IT IS HEREBY agreed and stipulated between the Trustee and Defendant as follows:

1. Defendant hereby affirms (i) that all representations made by Defendant and all materials provided by Defendant have been submitted by Defendant as true and correct under penalty of perjury and (ii) that the Trustee has relied upon these materials in exercising his discretion to dismiss the Adversary Proceeding.

2. Defendant hereby agrees that to the extent it is subsequently determined that Defendant deliberately or intentionally submitted materially false and/or misleading representations, statements and/or materials in connection with her Hardship Application or dismissal of the Adversary Proceeding, the Defendant hereby agrees (i) that the Trustee shall have the right to reinstitute the Adversary Proceeding against Defendant and/or pursue other remedies available to him and (ii) that Defendant agrees that this Stipulation and Order shall act to toll any applicable statutes of limitation with respect to the Trustee's commencement of any such claims and notwithstanding section 546(a) of the Bankruptcy Code, Defendant hereby agrees to waive any statute of limitations defense in any such actions or claims commenced by Trustee.

3. Pursuant to Fed. R. Civ. P. 41(a), made applicable by Fed. R. Bankr. P. 7041(a), the Trustee and Defendant hereby agree that upon approval of this Stipulation and Order by the Bankruptcy Court, except as set forth in paragraph 2 hereof, this Adversary Proceeding is dismissed with prejudice.

4. This Agreement may be signed by the parties in any number of counterparts, each of which when so signed shall be an original, but all of which shall together constitute one and the same instrument. A signed facsimile, photostatic or electronic copy of this stipulation shall be deemed an original.

5. This Stipulation and Order is subject to the approval of the Bankruptcy Court, failing which the provisions of the Stipulation and Order shall be void and of no effect.

Date: October 22, 2014

IRVING H. PICARD, TRUSTEE FOR THE  
SIPA LIQUIDATION OF BERNARD L.  
MADOFF INVESTMENT SECURITIES LLC

By: /s/ Nicholas J. Cremona

David J. Sheehan

Marc E. Hirschfield

Nicholas J. Cremona

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*Attorneys for Irving H. Picard, Esq., Trustee  
for the SIPA Liquidation of Bernard L. Madoff  
Investment Securities LLC*

By: /s/ Shelia Kolodny

**SHELIA KOLODNY**

By: /s/ Gabrielle J. Pretto

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*Attorneys for Defendant Shelia Kolodny*

**SO ORDERED:**

By: /s/ STUART M. BERNSTEIN  
HON. STUART M. BERNSTEIN  
UNITED STATES BANKRUPTCY JUDGE

Date: October 22<sup>nd</sup>, 2014